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## **BY ELECTRONIC MAIL**

July 6, 2025

Ms. Lymari Colón Rodríguez  
Executive Director  
Puerto Rico Health Insurance Administration

### **Re: Platino Contracts (CY2026)**

Dear Ms. Colón Rodríguez,

In accordance with the Contract Review Policy (the “Policy”) of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), established pursuant to Section 204(b)(2) of PROMESA, we have reviewed the proposed contracts between the Puerto Rico Health Insurance Administration (“ASES,” for its Spanish acronym) and the following Medicare Advantage Organizations: (i) MCS Advantage, Inc., (ii) MMM Healthcare, LLC, and (iii) Triple S Advantage, Inc. (the “Proposed Contracts”).

After reviewing the Proposed Contracts, the Oversight Board concludes “Approved with **Conditions**.” Conditions and observations related to the Proposed Contracts are set forth in Appendix A attached hereto.

Our review is solely limited to compliance of the Proposed Contracts with Section 204(b)(2) of PROMESA, which seeks to ensure proposed contracts promote market competition and are not inconsistent with approved Fiscal Plans. For the avoidance of doubt, the review performed by the Oversight Board does not constitute a legal review of the contractual documentation or the contracting process, including without limitation: (i) compliance with contracting requirements under applicable laws, rules, and regulations, both federal and local; and (ii) compliance with applicable laws, rules, and regulations governing procurement activities, both federal and local.

In addition, the Oversight Board has not engaged in any due diligence or background check with respect to the contracting parties nor whether the contracting parties comply with the requirements under the applicable contract. Any material changes to the Proposed Contracts must be submitted to the Oversight Board for review and approval **prior to execution**.

**Date:** 7/6/2025

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**Recipient:** Ms. Colón Rodríguez

This letter is delivered as of the date hereof and we reserve the right to provide additional observations and modify this letter based on information the Oversight Board was not directed to when the review was conducted. In addition, during the course of our review, we may receive information that we may refer to the relevant authorities.

This letter is issued only to ASES and solely with respect to the Proposed Contracts.

Sincerely,



Jaime A. El Koury  
General Counsel

## APPENDIX A

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### ASES – MEDICARE ADVANTAGE ORGANIZATIONS

#### Fiscal Plan Alignment

This review covers the Proposed Contracts between ASES and the following Medicare Advantage Organizations: (i) MCS Advantage, Inc., (ii) MMM Healthcare, LLC, and (iii) Triple S Advantage, Inc. (collectively, the “MAOs”).

The Proposed Contracts establish a wraparound coverage for the Government Health Insurance Medicare and Medicaid Dual Eligible Population at \$88 per member per month to assist with the cost associated with prescription drug benefits.<sup>1</sup> They have a term from **January 1, 2026 to December 31, 2026** and an expected aggregate cost of **\$301,120,546** among all the MAOs during Calendar Year 2026, divided as follows:

- \$150,560,273 to cover the costs from January to June 2026; and
- \$150,560,273 to cover the costs from July to December 2026.

Effective January 2026, Humana Health Care Plan of PR, Inc. (“Humana”) will cease operations in Puerto Rico. As a result, the members enrolled with Humana under Calendar Year 2025 contracts, will select a new MAO during quarter 2 of Fiscal Year 2026 in the open enrollment period. This will increase the number of enrollees for each MAO, **without altering the expected aggregate cost of the Proposed Contracts**.

ASES has certified that the Proposed Contracts shall be covered entirely with a mix of federal funds (**\$227,407,124**), general funds (**\$63,305,550**), and special revenue funds (**\$10,407,872**). The costs associated with Fiscal Year 2026 will be covered with funds to be reprogrammed from the custody of the Office of Management and Budget. As such, the Oversight Board’s review indicates that, upon its review and approval of the pertinent budget reprogramming request, ASES shall have sufficient funds in Fiscal Year 2026 to cover the cost of the Proposed Contracts. Accordingly, the approval of the Proposed Contracts **is conditioned** upon the Oversight Board’s receipt, review and approval of the pertinent budget reprogramming request, which shall be the subject of a separate letter from the Oversight Board.

This determination does not consider the extent to which total available funds will be subsequently encumbered by ASES throughout the Proposed Contracts’ term. Consequently, we rely on ASES’ budget certification for purposes of this review. In the event that the Proposed Contracts cause ASES to exceed its budget, it must find savings in other areas to cover any overspent amounts and submit a budget reprogramming request in order to ensure compliance with the Certified Fiscal Year 2026 Commonwealth Budget.

Insofar as the Proposed Contracts will be funded with future certified budgets, ASES must ensure that such budgets incorporate all costs related to the Proposed Contracts.

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<sup>1</sup> This represents an \$8 increase in the per member per month rate from the Calendar Year 2025 contracts.

## **APPENDIX A**

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Finally, the Oversight Board reminds ASES that beginning in Fiscal Year 2028, the Commonwealth may face a “Medicaid fiscal cliff,” in which the Commonwealth may become liable for the full cost of the increased wraparound coverage due to the expiration of the current 76% Federal Medical Assistance Percentage for Puerto Rico, along with the sunset of the ~\$4 billion funding ceiling. The Oversight Board urges ASES to evaluate the long-term budgetary impact of the services covered under the Proposed Contracts and to ensure that it has the necessary funds to cover the proposed benefits beyond the near-term future.

ASES is expected to inform the Oversight Board of any budgetary differences other than those specified in Appendix A to the Policy (Contract Submission Questionnaire) and to request a re-review of the Proposed Contracts should any changes occur.

*This review was conducted on the basis of information submitted by ASES. The Oversight Board has not independently verified the information included in the submission. Should the Oversight Board become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.*